

Wisconsin**Insurance****News**

State of Wisconsin

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PUBLICATION UPDATE:

Due to time and staff constraints, WIN will no longer be published on a quarterly basis. Instead, readers can expect to see the WIN issued periodically throughout the year. We apologize for any inconvenience this may cause.



Federal Regulation: Be Careful What You Ask For



By Jorge Gomez,
Commissioner of
Insurance

The state of insurance regulation is at a critical juncture. The House of Representatives Financial Services Committee is considering two proposals to diminish and/or eliminate state regulation of the insurance industry. Specific proposals under consideration include an optional federal charter for insurance regulation and a federal regulatory tool kit.

Painting a rosy picture, proponents of federalization such as the American Council of Life Insurers (ACLI), American Insurance

Association (AIA) and National Association of Insurance and Financial Advisors (NAIFA), repeat the mantra that consumers benefit from "streamlined regulatory efficiency," "modernization," "uniformity" and "speed to market," while ignoring the foreboding and failed history of federal regulation in other industries, such as savings and loans and securities. **State regulation of insurance, on the other hand, has not been a failure. In fact,**

when compared to the federal regulation of other financial industries, it has been a rousing success for insurance consumers in this state and nationally. Therefore, I believe it is unwise to go careening off in an entirely new and ill-defined regulatory direction at the behest of the few and the expense of the many.

Some of these deeply flawed initiatives would result in the complete deregulation of the marketplace. For example, the AIA's optional federal charter draft legislation would preempt the state from regulating the marketplace. Under such a system, states would no longer be able to crack down on

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disreputable companies and agents by denying their right to do business, review mergers and acquisitions to ensure they are in the best interest of the

public, oversee marketing, sales practices, underwriting and claims settlement activities, and guard against unfair trade practices. Even more troubling, the proposal does not contemplate how any of these oversight issues would be addressed at the federal level to ensure consumer protection, nor does it provide any guidance or direction to create a regulatory agency to oversee one of the largest industries in this country.

Continued on next page

Supporters of a federal regulatory model are dominating the dialogue to ensure their voice is the only one heard. Initial discussions with members of Congress suggest that without the resources to dedicate to Washington, D.C., regional and smaller insurers, local agents and agent groups, consumers, and the insurance buying public will be excluded from the discussion during the planning and development of the federal regulatory structure. The development of federal regulation in other fields has traditionally excluded smaller or local and regional parties and insurance would likely be no different. In fact, the AIA-

A federal regulatory tool kit proposes to set regulatory standards that all states must follow if they want to continue regulating insurance. Failure to meet those standards would mean the federal government could take over regulatory authority from a noncompliant state. For states like Wisconsin, such forms of “standardization” would likely result in a significant diminution in the quality of the regulatory controls and protections currently in place.

There are three major areas for concern in either of the options:

First, both of the proposed options fundamentally fail to recognize the unique nature of insurance markets from either an economic or geographic standpoint. Since hurricanes do not pummel the Lake Michigan coast and earthquakes are unlikely to hit downtown Rhinelander, it does not make sense for Wisconsin’s risk to be lumped into the risk pool of states like Florida, Georgia or California for homeowner’s insurance. A federal regulator’s desire for uniformity will likely fail to recognize the significant difference in insurance risk from one state to another. Currently Wisconsin’s homeowner’s rates are among the lowest in the country because of our geographic positioning and competitive insurance marketplace—something which would be rendered obsolete in a federal regulatory scheme. In short, Wisconsin risks being pooled with other high-risk states meaning consumers will end up paying more for insurance.

Second, neither the optional federal charter proposal nor the federal tools proposal appear to envision creating a viable structure for solvency regulation. The federal charter proposal does not address how the industry will manage problem companies in the unregulated

market. Yet, it seems that the states and their citizens would be on the hook for addressing any company failures because the existing guaranty funds would be on the hook for the financial shortcomings of federally chartered companies. Taxpayers have been bailing out the obligations of the savings and loan disaster, securities debacle and pension benefit guaranty funds as a direct result of the lack of adequate federal oversight.

Third, a significant consumer protection that both of these options modify is access to the court. Litigation



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proposed Federal Charter would create a Federal Insurance Advisory Committee constituted of federal insurers to the exclusion of all others. Such a result would be to the detriment of states like Wisconsin, where companies, agents, and consumers enjoy the ability to directly communicate with the regulator. These smaller, regional and niche insurers who play such a vital role in sustaining a highly competitive and solvent marketplace will likely be marginalized in a federal regulatory system.

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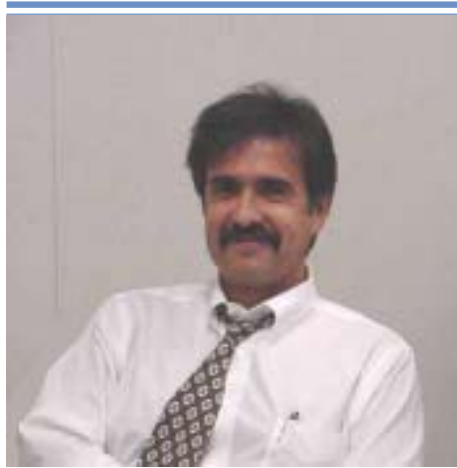
in a federal regulatory environment would likely take place solely in federal courts, with one proposal putting venue in Washington, D.C., exclusively. Federal courts are likely to be significantly more time-consuming and expensive for any aggrieved party. Ironically, as a result of confining insurance disputes to federal courts, insurers or agents could find themselves running afoul of federal laws and prosecuted in federal courts for any possible wrongdoing. Exacerbating the problem, the federal regulatory standards that would be enforced are

not likely to meet or address the market conditions unique to a particular state such as Wisconsin. Although no form of regulatory oversight is particularly pleasant for insurers or agents, a federal regulator is much less likely than a state regulator to be flexible when problems are discovered because they are not knowledgeable about the market conditions relevant to any regulatory issue.

The bottom line is consumers lose. This includes the individuals and businesses that support the mutual, regional and specialty market segments. Federalization of insurance regulation would move the regulatory scheme towards a preemptive, ERISA-like regulatory system. In Wisconsin, almost half the private health insurance market is in self-funded, Employee Retirement Income Security Act (ERISA) exempt plans that are "regulated" by the U.S. Department of Labor. Past experience with ERISA has shown that the Department of Labor does not have the necessary staff and resources to properly regulate ERISA-exempted health plans to assure their solvency and to oversee their settlement of claims with patients and providers. As a result, thousands of claimants, including individual health care providers and large hospital systems, have no recourse other than to pursue remedies in federal court.

State insurance regulation has existed for nearly 150 years with a very impressive overall success rate for its constituents. State regulators continuously improve the regulatory systems to produce an efficient and consistent structure. Significant progress has, and continues to be, made toward greater efficiency and consistency of regulation, where appropriate. Today, the states have in place comprehensive, collaborative

approaches that avoid redundant regulatory efforts and assure effective regulatory oversight of critical financial and market conduct activity. Examples demonstrative of the ongoing improvements in state regulation are: the implementation of new technologies for agent licensing as well as rate and form filing, collaborative efforts of the states in solvency regulation, the development of standardized accounting rules, use of NAIC model



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In 2003 alone, OCI approved close to 28,000 policy forms, processed more

than 3,750 rate filings, responded to nearly 8,000 consumer complaints, and recovered just under \$5 million for consumers. Since 1995 OCI has recovered over \$41 million dollars in claims that would not have otherwise been paid. With 349 domestic insurers, Wisconsin ranks 6th largest in the nation, yet OCI accomplishes all this with the country's 6th smallest budget as a percentage of premium. Thanks to the hard work and efficiency of the people at OCI, there has been only one insolvency in Wisconsin in more than 12 years, and that insolvency resulted in no lapses in insurance coverage. It is a track record of which federal regulators would be envious.

Therefore, as some shortsighted interests push us toward a federal charter for insurance regulation, or a federal tools bill, the question remains: Have we learned nothing from the federal regulatory role in the savings and loan debacle and the Enrons of the world? Federal regulation clearly was not the answer then, nor is it now for insurance. Drastic and imprudent actions will do far more harm than good, and will remove the local sensitivities and market awareness that only the state insurance regulators can provide.

There is no regulatory system more responsive to the needs of consumers, agents, and insurers than the state-based system. As Wisconsin's insurance commissioner, I will continue to press for improvements in both our own regulatory capacity as well as shared responsibility among the states. At the same time, I remain steadfast in my refusal to subscribe to errant special interest projects like the federal charter and federal tools proposals, and I hope you will join me in opposing these misguided efforts.



Commissioner Gomez met with members of Wisconsin's Congressional delegation when he visited Washington D.C., in February.

Above: Congresswoman Tammy Baldwin and Commissioner Gomez.

Worker's Comp and Farmers

Information coming into OCI indicates that many of Wisconsin's farmers are worried about exclusions in their health insurance policies as they relate to worker's compensation. Most health insurance policies *do not* cover injuries sustained while performing farm duties or other employment-related tasks, so agents should work with farmers to ensure that they are aware of policy limitations.

Consumers need to be better informed about the options they have in obtaining coverage for work-related injuries. A good place for them to start is with OCI's *Guide to Health Insurance and Worker's Compensation for Farm Families*. The guide is available from OCI's Web site, and a free copy may be requested by contacting the agency.

In Wisconsin, it is possible for small farmers and the self-employed to obtain worker's compensation insurance from a private insurance carrier. However, if they are unable to obtain worker's compensation through the private market, farmers may be able to get coverage through Wisconsin's Worker's Compensation Insurance Pool.

Please note that while Wisconsin law does not require a farmer with five or fewer employees to obtain worker's compensation insurance, it does not prohibit them from doing so. The same holds true for small employers.

Consumer questions about worker's compensation and farmers can be directed to OCI Information and Complaints at 1-800-236-8517.



Wisconsin Insurance News

Wisconsin Insurance News is published periodically throughout the year by the Office of the Commissioner of Insurance, State of Wisconsin, to inform interested parties about Wisconsin's insurance market and its regulation.

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UPDATE ON WISCONSIN'S CONTINUING EDUCATION

**By Laurna J. Landphier, Chief
Agent Licensing Section**

Biennial Regulation Fees Collected

The Commissioner's office has suspended over 17,000 agent licenses for nonpayment of the biennial regulation fees. Billings were mailed to over 90,000 agents and firms in mid-November. A second notice was mailed following the February 15 deadline. In addition, a list of suspended agents was sent to all companies. Agents who did not pay their fees by April 16 and whose licenses were revoked are required to complete the prelicensing education and retest prior to relicensing.

Residents: Continuing education compliance is not related to license renewal.

Nonresidents: Home state letters of certifications are NOT required with fee payments.

Agents are required by statute to notify OCI within 30 days of an address change. Failure to do so may result in revocation of a license due to nonpayment of the biennial regulation fee. RELICENSING REQUIRES RETESTING FOR RESIDENT AGENTS. RETESTING REQUIRES THE COMPLETION OF PRELICENSING EDUCATION.

Basic Requirements

All agents who hold a license in any of the major lines of property, casualty, personal lines P&C, life, accident and health insurance, or the limited line of automobile, must meet the continuing

education requirements. Your compliance date is printed on your license. *Course credits may be completed at any time during the two-year period.* Carryover of credits from one reporting period to another is not allowed.

Reminder: *If you completed your requirements prior to January 1, 2003, for the 2001-2003 reporting period, classes you completed after January 1 were automatically banked for the 2003-2005 reporting period.*

A list of approved providers and courses is available at Promissor's Web site through a link at OCI's Web site. Log on to <http://oci.wi.gov>, then click on "Agent" followed by "Continuing Education for Insurance Agents." Or, you can log on directly to <http://www.promissor.com>.

Internet Transcripts Available from Promissor

To request your most current Licensee Continuing Education Transcript, log on to <http://www.promissor.com>. Select "Testing Services," then "Insurance," followed by "Wisconsin Insurance." Under Continuing Education Services, click on "Licensee Course Transcript" and enter your Wisconsin license number or social security number and last name. You will be able to view and print your transcript.

The transcript will permit you to take any action that is necessary to add,

delete, or change information that is inaccurate. To correct credit discrepancies, agents are required to contact their continuing education provider(s) directly. These discrepancies can only be resolved between the agent, the provider and Promissor.

Who to Call

Contact Promissor for answers to general questions, to gain information on course availability and to confirm if credits have been banked in an agent's individual record. Promissor may be reached at 1-800-274-4679. **Reminder:** *Dial the (800) prefix whenever using this number.* You may also fax your request for continuing education to Promissor at (610) 617-0927.

For More Information

Additional agent licensing information can be found on OCI's Web site <http://oci.wi.gov>. From the home page, click on the blue "Agent" oval to find forms, laws, rules, bulletins and more.

For information about navigating OCI's Web site, users can download or request the newly updated publication *Learning about the Office of the Commissioner of Insurance on the World Wide Web*.

Agent licensing questions can be sent to: agentlicensing@oci.state.wi.us

Brief Review of COBRA/Continuation Laws

OCI continues to receive questions from agents regarding continuation and COBRA rights under state and federal law.

COBRA (Consolidated Omnibus Budget Reconciliation Act) is federal law that extends existing group health insurance coverage to employees and their dependents when a qualifying event happens. COBRA applies to group insurance policies and self-funded health plans that cover *20 or more employees*. It does not apply to certain church plans or plans covering federal employees.

Information regarding the federal COBRA law is available by contacting the U.S. Department of Labor at (312) 353-0900 or <http://www.dol.gov>.

Wisconsin Continuation Law applies to most group health insurance policies issued in Wisconsin that provide hospital or medical coverage to groups of two or more Wisconsin residents. The law may also apply to group plans that are required to comply with federal COBRA law. It does not apply to employer self-funded plans, health and welfare plans, or policies that cover only specified diseases or accidental injuries.

Wisconsin continuation law provides employees and their dependents, who have been continuously covered under a group health insurance policy for at least three months, the right to continue the group coverage or to convert to an individual conversion policy. These individuals are eligible to continue coverage for the group insurance policy for up to 18 months. Coverage under

the group insurance policy ends when any of the following occurs: residence is established outside Wisconsin, the premium is not paid, the former employee becomes eligible for similar coverage under another group plan, the employer goes out of business or a former spouse loses eligibility for group coverage.

Unlike federal COBRA rights, Wisconsin's continuation provisions do not apply to dependents who lose eligibility because of age or the fact that they are not attending college.

Wisconsin's continuation provisions also do not apply to dental coverage or other limited benefits such as vision care.

If employers change insurance companies during the time individuals are covered under the continuation option, the employer is required to offer the same coverage to individuals on continuation that is offered to employees or group members.

Individuals on continuation are entitled to the coverage offered under the replacing group insurance plan until the end of the 18-month continuation period as long as these individuals maintain their eligibility status. When employers change benefit plans, the individuals on continuation are only entitled to the benefits offered to active employees or group members.

Wisconsin insurance law does not include provisions that define prior notice requirements to individuals on continuation regarding the change in benefits or premiums.



Caution to Agents Considering Selling Discount Plans and Cards

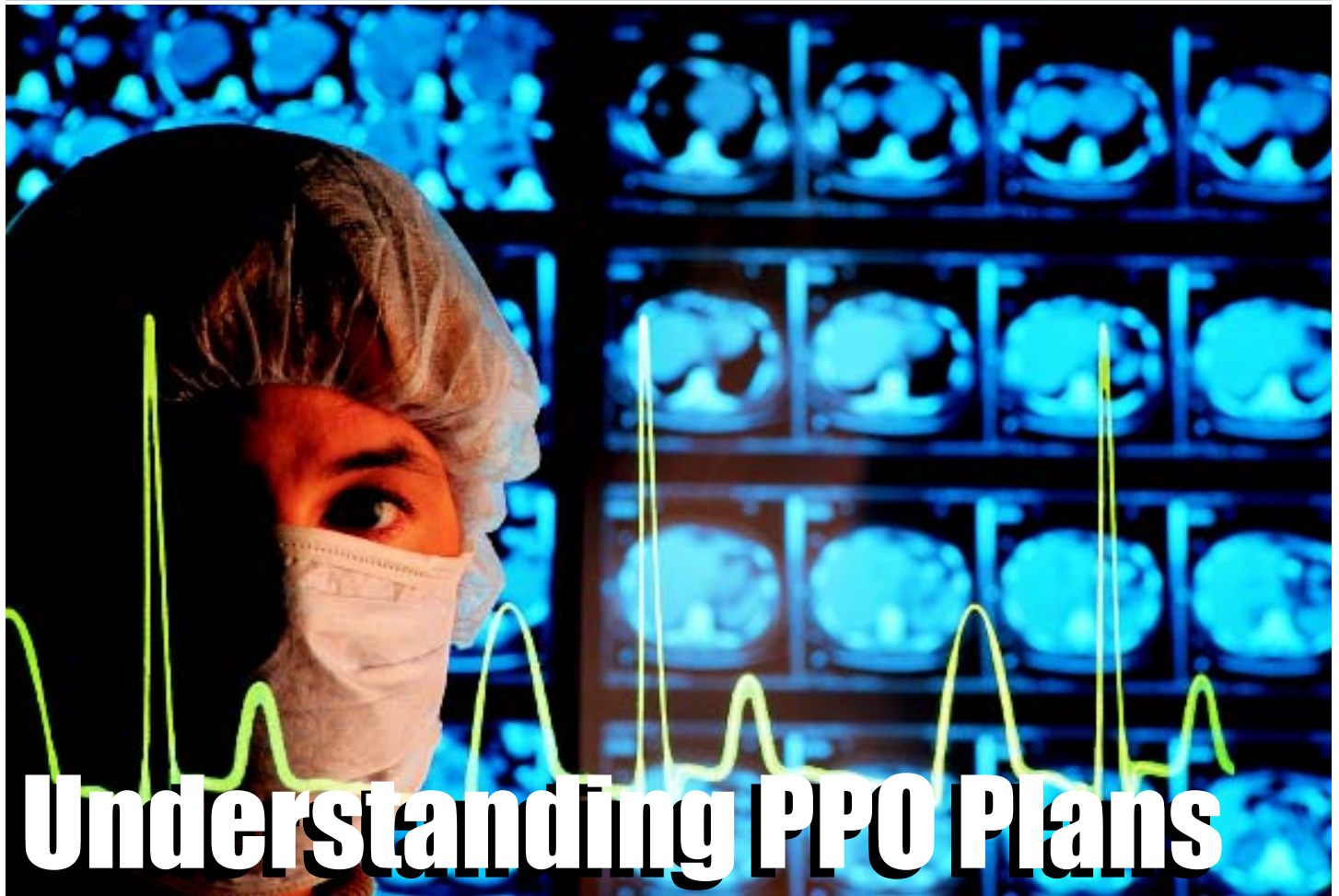
OCI has serious concerns regarding the number of telephone inquiries and written complaints the office is receiving regarding Internet and insurance agent sales of discount plans and discount cards.

Agents should be aware that many of these discount plans misrepresent the amount of discount, the number and categories of providers available and the coverage available.

Discount plans and cards are not a substitute for comprehensive health insurance coverage. OCI has received complaints involving discount plans where complainants' report that they terminated existing health insurance coverage in order to purchase discount plans, or who sought medical services from providers who were advertised as accepting discount cards when in fact they did not do so.

OCI does not review or approve discount plans or cards. Companies marketing the discount plans and cards are often not insurance companies licensed to do business in Wisconsin. Agents who are involved in selling discount plans and cards should make sure that neither they nor the plans misrepresent the amount of discount or out-of-pocket expenses. Agents may risk being sued by their clients, and found responsible by a court for a portion of their clients' medical expenses.

<http://oci.wi.gov>



Understanding PPO Plans

Many consumers are unaware of their PPO's limitations and restrictions

Preferred provider organization plans (PPOs) have become increasingly popular as more individuals have expressed their interest in or demanded from their health plan a choice of providers. This is part of the evolution from traditional fee-for-service insurance plans to HMO defined network plans that were meant to control costs and now to PPO plans that are meant to address consumer demands for lower costs and more coverage options.

As with any changing delivery system, complaints received by OCI indicate a lack of understanding by many insurance consumers about the limitations or restrictions associated with PPO plan coverage.

OCI complaints indicate that the interest and boom in PPO plans is not without some shortcomings that individuals and employers should be aware of before purchasing PPO coverage. No insurance policy or type of coverage provides all the benefits that consumers demand without limitations or associated costs for coverage. Unfortunately, many employers and individuals are not aware of insurance policy limitations until after health care services are obtained and bills for services are received. Employers, their employees, and individuals need to understand the characteristics—both positive and negative—associated with PPO plan coverage.

PPO Basics

In general, PPO plans are a type of managed care plan offered by health insurance companies whereby insurance companies contract with PPO networks. PPO networks have contracts with individual physicians, other health care providers and hospital providers that set out a negotiated fee for various health care services provided to those individuals and employees covered by the insurer's PPO plan insurance policy.

The benefit to the covered individuals and employees is that they pay a defined percentage of the PPO provider's negotiated amount. The benefit to the providers who contract with the PPO

network is that they potentially increase their patient population and facilitate their claim payment and billing process.

PPO plans include financial incentives to encourage insured individuals to use PPO network providers. Access is often touted as a reason for considering a PPO option. However, individuals covered by PPO plans are often shocked when they receive a bill from a provider that shows what the plan paid in comparison to what the provider charged. It is important to find out what the provider charges for a health care procedure so that the financial responsibility of the insured person can be calculated.

In-Network vs. Out-of-Network

Most consumers have very little information regarding what physicians and hospitals charge for health care services. For example, a consumer may be comfortable with paying \$40 toward the \$100 that a non-PPO network physician charges for an office visit, but that same person may not be prepared to pay \$4,000 toward the \$10,000 charged by a non-PPO hospital for a surgical procedure.

PPO plans allow enrollees to use doctors and hospitals within the PPO network or to use non-PPO network providers without obtaining a referral. However, when using non-PPO providers, enrollees are required to pay additional out-of-pocket expenses.

For example, PPO in-network visits require enrollees to pay a given percentage of the negotiated fee, such as 20 percent, and the insurance company pays the other 80 percent. However, when enrollees obtain services from non-network providers, they are required to pay a greater



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percentage of charges, such as 60 percent while the insurance company pays the other 40 percent. This payment structure is complicated by the fact that out-of-plan services are paid based on usual, customary and reasonable (UCR) amounts, and not on a negotiated charge. As a result, if an enrollee sees a PPO provider whose negotiated fee is \$1,000, they would pay 20 percent or \$200. If they see a non-participating provider who has *not* negotiated a fee reimbursement, they may find that the provider charges \$1,500 for the services. The UCR reimbursement from the PPO remains \$1,000 despite the non-network provider's charge. With an 80/20 co-payment, the insurer pays \$800 (80 percent of the \$1,000 UCR), leaving the enrollee responsible for the remaining \$700 of the bill.

Network Limitations

Consumers who require medical services while traveling or vacationing, may find that the PPO does not have network providers available because

PPOs are not required to have providers in all geographic areas. Even if enrollees require emergency medical care while traveling, most PPO plans will pay physician, emergency room and hospital services at the non-PPO level as they would any other non-network visit. This means the enrollees will be required to pay the non-PPO amount as described in their insurance contract.

Deductibles

PPO plans may also include higher deductibles for non-PPO network services. For example, the deductible for in-network visits may be \$500, while an out-of-network visit may be subject to a \$2,000 deductible.

PPO plans sold to individuals or through association memberships often include separate deductibles based on the type of medical service. Therefore, enrollees may find that they have a deductible for physician services, another deductible for hospital services, and another deductible for laboratory services. Agents should make sure consumers understand all of the cost-sharing arrangements contained in a PPO contract *before* they need health care services.

HMO vs. PPO

Federal and state laws impose fewer accountability requirements regarding quality of care, access, and continuity of care on PPO plans than on HMO plans. PPOs are not held to the same standards regarding access and continuity of care as HMOs because HMOs are able to deny payment if enrollees do not see an HMO provider. PPO plans allow enrollees and their physicians greater flexibility in choosing the services they may need, but that choice is associated with increased

costs. Substantially greater out-of-pocket expenses for non-network visits may effectively limit a PPO enrollee's choice to the PPO provider network. Even with a referral to a non-network provider, PPO enrollees will be responsible for paying the additional costs of an out-of-network visit.

Provider Limitations

In-network providers of the PPO plan may be limited, meaning that PPO plans may not offer access to a comprehensive list of providers and specialty providers. Enrollees may also find their PPO plan has Wisconsin specialty providers in its network, but these providers may not be located in a geographically convenient area. For example, a PPO plan may have a network orthopedic surgeon only in the Milwaukee area, but not in the enrollee's LaCrosse location. Consumers should remember that PPO plans are not required to pay in-network benefits even if there are no geographically convenient providers available. PPO plans are also not required to provide access to all types of specialty providers, even though the enrollee may require or desire to use the services of a specific specialty provider. As a result, an enrollee's PPO plan may not have network providers that can provide the specialty services they need.

Enrollees may also find that their physician does not utilize the services of a PPO network provider or that their hospital does not contract with PPO specialty providers. For example, the PPO physician may routinely submit lab work to a non-PPO laboratory. Or, a PPO hospital may utilize the services of anesthesiologists, radiologists or emergency physicians who do not have contracts with the PPO network. Therefore, although the enrollee's

hospital bill will be paid at the PPO contracted rate of, let's say 90 percent, the charges by the anesthesiologist, radiologist or emergency physician may only be paid at 60 percent. These additional cost-sharing requirements can be quite a shock when enrollees receive their hospital bill.

Premiums

Individuals purchasing PPO plans may find that initially their premium payments are competitive with those of HMOs. However, the cost controls exercised by HMOs are not present under PPO plans, especially as individuals use more services from out-of-network providers.

In Wisconsin, insured PPO plans are required to have a grievance process available to their enrollees. If the PPO denies coverage based on its determination that the services are not medically necessary, enrollees have the right to an independent determination by an external review organization.

When deciding if a PPO plan is right for them or if they want to utilize the services of non-PPO providers, consumers should consider:

- Potential out-of-pocket expenses
- Referral practices and guidelines
- Location of PPO providers
- Choice of doctors, hospitals, and pharmacies
- The availability of and PPO providers' utilization of contracted ancillary providers such as radiologists and laboratories.

Making the Choice

PPOs may work best for those individuals who want flexibility in choosing providers but do not have

existing or long-term relationships with primary care, specialty or hospital providers. PPOs may also work well for individuals who have a lot of medical needs and annually exceed the deductible amount they are required to pay before the policy pays.

There is no health insurance plan that is right for everyone. Consumers should consider their health care needs, preferences and financial situation. All insurance consumers must balance the services they want with the premium they are willing to pay. There are no panaceas in health insurance that allow access to all providers and services at a low insurance premium.

Updated Publications

OCI has recently updated many publications. Choose the Publications link from the top-left side of <http://oci.wi.gov> to view, print or request a copy .

Updated publications include:

Wisconsin Guide to Health Insurance for People with Medicare

Medicare Supplement Insurance Approved Policies

Medicare+Choice – Questions and Answers

Guide to Long-Term Care

Long-Term Care Insurance Approved Policies in Wisconsin

Health Insurance for Small Employers and Their Employees

ANSI Codes

OCI Terminates Surplus Line Carrier List

Effective March 31, 2004, OCI will no longer publish a list of unauthorized nondomestic insurers that the office believes to be reliable or solid.

Section 618.41(6)(d), Wis. Stat., states that the Commissioner **may** [emphasis added] issue lists of unauthorized nondomestic insurers (surplus lines carriers) he or she believes to be reliable and solid. The office has, for many years, issued such a list upon a limited review of financial statements filed by unauthorized nondomestic insurers wishing to be placed on the list. Due to resource demands on the Bureau of Financial Analysis and Examinations, the area of

the office that produced the list, its continued publication is no longer possible.

Therefore, OCI has determined that it can no longer provide the lists contemplated in s. 618.41(6)(d), Wis. Stat., and will no longer evaluate financial statements submitted to this office for that purpose.

Insurers who have already submitted their annual statements for review with the required filing fee, will have that fee returned by OCI.

The office will amend s. Ins 6.17(3)(b), Wis. Adm. Code, that

requires surplus lines agents to inform their policyholders if an unauthorized insurer with whom they place coverage is not on the list published by the office. Unauthorized insurers are reminded that effective April 1, 2004, they are no longer on Wisconsin's authorized surplus lines list and may not so state.

Surplus lines agents are also reminded of the requirements in s. 618.41(8)(a), Wis. Stat., pertaining to the responsibilities of surplus lines agents concerning evaluation of the financial condition of unauthorized insurers they use to place coverage and notice of any deficiencies to applicants.

Attention Callers: A New Phone System For OCI

OCI recently replaced the phone system servicing the complaints, policy forms and agent licensing sections of the agency.

The new system routes calls via touch-tone menu options. The menu has been shortened and there is no longer a dial-by-name option.

The key to the successful use of the new phone system is making appropriate menu choices. Please listen carefully to the new messages. Allowing the system to direct your calls distributes call volume to OCI staff, and allows calls to be answered efficiently. OCI will answer calls in the order they are received. If your wait time is longer than your schedule allows you have the option to leave a voicemail message.

OCI will continue to allow you to talk directly with our staff should you not be able to get your business accomplished through our menu selections. If you are unsure of who to



call, or if you have trouble navigating the phone menu, dial OCI's main number (608) 266-3585 or 1-800-236-8517 (statewide) and select the "For

more information about our office..." option. When you do so, an OCI staff member will answer and will be happy to help connect you to the appropriate area within OCI.

Please remember that many questions can be answered without calling OCI directly. OCI's Web site [<http://oci.wi.gov>] contains a wealth of information including:

- Find out about agent license status, check your CE credits, or renew a license online.
- Find out more on how to contact us (fax and phone numbers and e-mail addresses).

- Look up information about agents, agencies, and companies.
- Read our current news articles, press releases or administrative actions taken by OCI.
- Read the current issue of the Wisconsin Insurance News (WIN) and technical bulletins or subscribe to a list serve to receive e-mail notification that a new issue or technical bulletin is available.
- Access current publications online or request a free (single) copy of those publications.

If you have suggestions to improve OCI telephone services, please send them to information@oci.state.wi.us or call Ben Schilling, Telecommunications Manager, at (608) 266-1615, or mail your suggestions to Ben Schilling, Office of the Commissioner of Insurance, P.O. Box 7873, Madison, Wisconsin 53707-7873.

Co-Op Care Signed by Governor Doyle

In December of 2003, Governor Jim Doyle signed Wisconsin Act 101. This act authorizes a pilot project that would allow for the creation of health benefit purchasing cooperatives in each of five geographic areas designated by the Commissioner of Insurance. Originally known as Senate Bill 204, which was sponsored by Senator Sheila Harsdorf and Representative Curt Gielow, the Act has been dubbed "Co-Op Care" by the plan's sponsors.

The Wisconsin Federation of Cooperatives (WFC) is actively working with their members and prospective insurance company partners to develop the regional health benefit purchasing cooperatives. Information about Co-Op Care is available through the WFC Web site at: <http://www.wfcmac.coop>. WFC suggests anyone who may have an interest in the health insurance project call the hotline at (608) 258-4388 or the Web site to register their interest.

CMS Releases 2002 National Health Care Costs

Health care spending in the United States rose to \$1.6 trillion in 2002, up from \$1.4 trillion in 2001 and \$1.3 trillion in 2000, according to a report issued January 8 by the Centers for Medicare & Medicaid Services (CMS).

The growth rate of 9.3 percent for 2002, the latest year for which actual spending figures are available, compared to 8.5 percent in 2001 and marked the 6th consecutive year in which health spending grew at an accelerated rate.

Health expenditures per person averaged \$5,440 in 2002, up \$419 from \$5,021 in 2001. Per person spending in 2000 was \$4,670.

In 2002, health spending grew 5.7 percentage points faster than the overall economy as measured by growth of the gross domestic product (GDP) – the total value of goods and services produced in the United States.

Prescription drugs continued to lead the rise in personal health care expenditures, with a 15.3 percent jump

in 2002. However, this was down slightly from the 15.9 percent increase measured in 2001. Total spending for prescription drugs for the year was \$162.4 billion, compared with \$140.8 billion in 2001.

While the growth in private health insurance spending for prescription drugs at 16.1 percent slowed in 2002, out-of-pocket spending for prescription drugs sped up to 14.4 percent as the effect of tiered drug formularies shifted more of the cost to consumers.

Private payers funded more than half of national health expenditures in 2002, with private health insurance contributing \$549.6 billion, 35 percent of the total. Out-of-pocket payments of \$212.5 billion accounted for 14 percent of expenditures and continued to decline as a share of total spending. More than half the increase in out-of-pocket spending for all health services came from increases in out-of-pocket spending for prescription drugs.

Article from the Center for Medicare and Medicaid Services

Letter No Longer Necessary for Nonresident License

OCI is pleased to announce that effective March 31, 2004, the office no longer requires a letter of certification to obtain a nonresident license in Wisconsin. Copies of current licenses, PDB print screens and CRD reports are also *not* required. The only paper attachments necessary relate to affirmative answers to the legal questions.

Laurina Landphier, OCI's Chief of Agent Licensing, was instrumental in the push to implement this initiative that is now being used in Wisconsin and will also be rolled out in the near future to all of the current COSMOS states. Innovative IT Solutions (iITs) was responsible for creating the electronic interface that allows our office to connect directly with NIPR to obtain the PDB, RIRS and SAD information necessary to validate and issue these licenses without a paper copy. OCI would like to thank both iITs and NIPR for the development and implementation of this valuable tool that is changing the way nonresident licensing is accomplished.

Wisconsin is proud that our state is the first to implement this new process. It is another example of leveraging technology to ease the burden of a paper-intensive licensing process. At a time when state departments are asked to do more with less, this is another example of innovative ways to make it all happen.

If you have questions or comments, please feel free to contact Laurina at (608) 267-1238 or e-mail her at Laurina.Landphier@oci.state.wi.us.

NEWS & NOTES

Accreditation

OCI received its full accreditation for another five years at the NAIC winter meetings. In October, an independent team reviewed OCI's financial regulatory procedures to ensure that they met the baseline standards as set by the NAIC to qualify for accreditation.

Nepple honored

OCI General Counsel Fred Nepple was awarded the Robert Dineen Award for outstanding career achievement as an insurance regulator. The Dineen Award is the NAIC's highest individual honor. Though established only recently in 1989, this is the third time OCI staff received the prestigious Dineen Award. Deputy Commissioner Randy Blumer was presented the award in 2002 and OCI Regulation and Enforcement Division Administrator Guenther Ruch received the honor in 1998.

HMO data

4th quarter 2003 and 1st quarter 2004 HMO data is now available from <http://oci.wi.gov>.

Winnebago floodplain

The Winnebago County Zoning Office will provide assistance to persons inquiring about floodplain property within the **unincorporated** area of the county. The information must be obtained in person in order to locate the property. The following information will be provided: community number, panel number, FIRM suffix, date of the FIRM's index (cover panel), base flood elevation, elevation datum system, copies of elevation certificates, if available. Persons desiring this assistance should be aware that their general walk-in office hours are **8 - 10 AM** and **1 - 2 PM** with other hours by appointment.

Administrative Actions: Aug. '03 - Jan. '04

In many of the proceedings listed below, the Respondent denied the allegations but consented to the actions. Detailed information regarding the proceedings is available from the OCI Legal Unit. Copies of all administrative actions completed since January 1, 2002, can be viewed and printed from OCI's Web site at <http://oci.wi.gov/admact/admact.htm>. The following are actions for August 2003 through January 2004.

Agents

Demetriss L. Addison

4231 N 13th St., Milwaukee, WI 53209
Has had her application for an insurance license denied. This action was based on allegations of criminal convictions substantially related to insurance marketing type conduct. September 2003

Michael F. Ajango

428 N Superior St. #140, De Pere, WI 54115
Paid a forfeiture of \$250.00 and was ordered to cease and desist from violating s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by the Wisconsin Department of Financial Institutions. December 2003

Cindy C. Alvarez

1240 Greenway Ter. #3, Brookfield, WI 53005
Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

John P. Archer

330 Hill St., Rhinelander, WI 54501
Has had his insurance license revoked. This action was based on allegations of

failing to pay Wisconsin delinquent taxes due. January 2004

Mike E. Aubart

726A Waldroff Farm Rd., Hudson, WI 54016
Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Carl W. Baehr

3671 W Hilltop Ln., Franklin, WI 53132
Paid a forfeiture of \$250.00 and was ordered to cease and desist from the use of advertisements not in compliance with s. Ins 3.27, Wis. Adm. Code, and s. Ins 3.39, Wis. Adm. Code. This action was based on allegations of using Medicare supplement insurance advertising not in compliance with the law. October 2003

Tina K. Baughman

16769 Charmel Ln., Pacific Palisades, CA 90272
Paid a forfeiture of \$500.00 and was ordered to comply with the reporting requirements of s. Ins 6.61 (16), Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by another state. December 2003

Margaret L. Baumann

N2388 County Rd. K, Merrill, WI 54452
Was ordered to pay a forfeiture of \$2,000.00 and was ordered to have her license revoked if the forfeiture is not paid within 29 days of when it's due and has had her license suspended for 270 days. This action was based on allegations of failing to respond promptly to inquiries from OCI and misrepresenting that policies were in

force when they were not, failing to promptly submit applications to the insurer, and failing to promptly issue refunds. January 2004

Donald Jay Beetem

703 N Wisconsin St., Port Washington, WI 53074

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding multiple criminal convictions. November 2003

Anthony James Bell

734 Mayflower Rd. Apt. 7, Appleton, WI 54913

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal convictions. December 2003

Kevin G. Bertelson

8225 W Center Apt. 4, Milwaukee, WI 53222

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Steven W. Block

206 N Church St., Watertown, WI 53094

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Robert C. Bobyack

8333 Via Leonessa, Boca Raton, FL 33433

Has had his application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Florida on an insurance

license application. October 2003

Christopher Shawn Bond

2515 W Lincoln Ave. Apt. 19, Anaheim, CA 92801

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages. October 2003

Alan P. Bower

2401 N Mayfair Ste. 302, Milwaukee, WI 53226

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

George H. Bratz

P.O. Box 269, Antigo, WI 54409

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Peter W. Brey

4018 Mandan Cir., Madison, WI 53711

Paid a forfeiture of \$100.00 and was ordered to cease and desist from violating s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by another state agency. January 2004

Jerry R. Brovold

E7989 Chickadee Rd., Fall Creek, WI 54742

Has had his application for an insurance license denied. This action was based on allegations of pending criminal charges that appear to be insurance marketing related and show evidence of untrustworthiness. September 2003

Frederick A. Brown

818 E Maple St., Horicon, WI 53032

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. October 2003

Tanya D. Choice

281 N Thompson Dr. #8, Madison, WI 53714

Agreed to a suspension of her license for 30 days. This action was based on allegations of providing incomplete and unsubmitted information in error that was used for an insurance premium quote. November 2003

Todd Joseph Cleveland

4137 Meadow Pky. #A, Hermantown, MN 55811

Has had his application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Minnesota on an insurance license application. December 2003

Leonard Cratic Jr.

5505 W Melvina, Milwaukee, WI 53216

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Jeffrey Clayton Daugherty

545 E Huron St., Omro, WI 54963

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct and nonresponse to OCI's request for information. November 2003

Marshall C. Crawford

3296 N 11th St., Milwaukee, WI 53206

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Walter C. DaSilva

6400 NW Expressway Apt. 838, Oklahoma City, OK 73132

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. January 2004

Penny M. Demler

11544 Meadowbrook Dr., Mequon, WI 53097

Paid a forfeiture of \$250.00. This action was based on allegations of using health insurance advertising which did not identify the insurer. September 2003

Tahirou Ardell Dioury

5450 Douglas Dr. N #115, Crystal, MN 55429

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Lavon Draper

6151 W Bradley Rd. #103, Milwaukee, WI 53223

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Jack Espinosa

3121 N 76th St., Milwaukee, WI 53222

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Tara Nyree Ferguson

1818A W Fairmont, Milwaukee, WI 53209

Agreed to a denial of her application for an insurance license for 31 days. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding indebtedness or bankruptcy. December 2003

Murray Fischer

16440 NE 29th Ave., N Miami Beach, FL 33160

Has had his application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Mississippi on an insurance license application. December 2003

George Fitzharris

6104 W Lincoln Ave., Milwaukee, WI 53219

Was ordered to cease and desist from violating s. 628.34 (1), Wis. Stat., by failing to immediately forward applications and premiums to insurers. This action was based on allegations of retained worker's compensation premiums for a period of time and failure to timely submit applications to the insurer. December 2003

Sheryl A. Frieman

112140 48th Ave. N, Plymouth, MN 55442

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding a Minnesota administrative action. September 2003

Roy A. George

505 Snyder Rd., Palmerton, PA 18071

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages. October 2003

Michael Gonser

5530 Melshire Dr., Dallas, TX 75230

Was ordered to cease and desist from performing or advertising any service as an intermediary agent in the state of Wisconsin until properly licensed. This action was based on allegations of doing an insurance business without proper authority. October 2003

Melvin Grant

2814 N 52nd St., Milwaukee, WI 53210

Was ordered to sell only for Pre-Paid Legal Services, Inc., for 18 months. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. September 2003

Gregory A. Grossman

206 E Third St., P.O. Box 315, Chokio, MN 56221

Paid a forfeiture of \$250.00. This action was based on allegations of failing to report an administrative action taken by North Dakota. October 2003

Peter Raymond Guzzi, Jr.

3835 S Mallard Ln., Doylestown, PA 18901

Has had his application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action by the state of New Jersey on an insurance license application. December 2003

Dorothy M. Hackett

5715 N 55th Pl., Milwaukee, WI 53218

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal convictions and undisclosed tax warrants. September 2003

Robert A. Halstead

4594 Rome Corners Rd., Brooklyn, WI 53521

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Jared P. Hanson

E14225 County Rd. O, Augusta, WI 54722

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Stephen Jerome Hebert

104 S Main St., Fond du Lac, WI 54935

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal convictions and child support arrearages. November 2003

Timothy James Henry

P.O. Box 266, Lake Geneva, WI 53147

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages. November 2003

Lee R. Hill, Sr.

3438 N 47th St., Milwaukee, WI 53216

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Merritt Emory Hougard

8458 Ester Ln. NE, Bemidji, MN 56601

Has had his application for an insurance license denied. This action was based on allegations of failing to disclose

administrative action taken by the state of Minnesota on an insurance license application and nonresponse to OCI's request for information. January 2004

Charles R. Howard

9200 Allyn St., Milwaukee, WI 53224

Was ordered to sell only for Pre-Paid Legal Services, Inc., for 18 months. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. September 2003

Jonathon R. Hyke

608 Saxonwood Rd., Altoona, WI 54720

Has had his application for an insurance license denied. This action was based on allegations of multiple criminal convictions substantially related to insurance marketing type conduct. Hyke did not appear at the hearing or prehearing. January 2004

Travis R. Ivory

11830 Rosary Ln., St. Louis, MO 63138

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages and judgment or bankruptcy. December 2003

Todd J. Kamler

4306 First Ave., Kearney, NE 68847

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI relating to lawsuits or arbitration proceedings. October 2003

Sean Michael Koehler

6501 Yale Apt. 920, Westland, MI 48184

Has had his application for an insurance

license denied. This action was based on allegations of failing to disclose a previous administrative action taken by the state of Wisconsin on an insurance license application and nonresponse to OCI's request for information relating to child support arrearages. December 2003

Charlene A. Krueger

P.O. Box 1813, Eagle River, WI 54521

Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Carlos A. Jones

1710 N 28th St., Milwaukee, WI 53208

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Jane A. Katter

368 Daisy Ln., Jasper, IN 47546

Has had her application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct and nonresponse to OCI request for information. October 2003

Brian D. Klie

21892 N Neilson Dr., Lake Villa, IL 60046

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding his resident Wisconsin address. September 2003

Michael A. Knox

2039 Dixie Dr. Ste. 2, Waukesha, WI 53189

Agreed to pay a forfeiture of \$250.00 and agreed to a suspension of his license

for 30 days. This action was based on allegations of failing to timely forward a premium payment to the insurance company. November 2003

Marvin R. Konrad

4128 St. Francis Park Cir., Green Bay, WI 54313

Paid a forfeiture of \$250.00 and was ordered to cease and desist from engaging in advertising that violates Wisconsin law. This action was based on allegations of using Medicare supplement insurance advertising not in compliance with the law. October 2003

Thomas J. Krueger

1317 N High Point Rd., Middleton, WI 53562

Paid a forfeiture of \$250.00 and was ordered to cease and desist from violations of s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failure to report a Department of Financial Institutions-Securities Consent Order of Prohibition and Revocation issued May 13, 2002, based on allegations that respondent sold unregistered securities. November 2003

Steven R. Kujawski

N536 Maple Dr., Campbellsport, WI 53010

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Gregory M. Kuss

606 Farwind Ln., Green Bay, WI 54311

Paid a forfeiture of \$500.00 and was ordered to cease and desist from improper and misleading advertisements in the state of Wisconsin regarding senior citizens and Medicare. This action was based on allegations of using Medicare supplement insurance

advertising not in compliance with the law. November 2003

William C. Lake

1082 Western Ave., Green Bay, WI 54303

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal arrest or conviction. November 2003

Debra R. Lamantia, A/K/A Debra R. Fogleman

2321 81st St., Kenosha, WI 53143

Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

John J. Lebreck

4741 W Whitetail Ct., Manitowoc, WI 54221

Agreed to pay a forfeiture of \$1,000.00 and agreed to report all criminal charges as required by s. Ins 6.61, Wis. Adm. Code, and promptly forward all premiums received from insureds to the appropriate entity or insurer and agreed to a suspension of his license for 14 days. This action was based on allegations of failing to promptly submit premiums to his employing agency or the insurer and failing to report a criminal charge to OCI. January 2004

James Luster III

4401 W. Spencer Pl., Milwaukee, WI 53216

Agreed to pay a forfeiture of \$250.00 and agreed to cease and desist from submitting insurance applications with false or misleading information. This action was based on allegations of submitting applications with false or misleading information. January 2004

Shylo M. Mallin

1914A Riverview Ln., Sommerset, WI 54025

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding incomplete criminal background report on her resident application. November 2003

Robert T. Malloy

2436 N 91st St., Milwaukee, WI 53226

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding administrative action taken by the Wisconsin Supreme Court. October 2003

Michele Lynn Mankamyer

9386 Breakers West Ter., West Palm Beach, FL 33411

Has had her license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Hawaii on an insurance license application. January 2004

Jacob Marquez

16601 N 12th St. #2039, Phoenix, AZ 85022

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearage. October 2003

Lynn T. Martin

3598 Canyon Park Rd., Dodgeville, WI 53533

Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Teresa Y. McClain

7614 Evelyn T. Butts Ave., Norfolk, VA 23513

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding administrative actions. December 2003

Austin E. McClendon

5450 Lake Mendota Dr., Madison, WI 53705

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Donald R. McCreath

909 Clarence Ct., Madison, WI 53715

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

James D. McKinney, Jr.

3756 Camelot Dr. SE 2A, Grand Rapids, MI 49546

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages and delinquent tax obligations. November 2003

Vairin Meesouk

2021 Danberry St., Madison, WI 53711

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal convictions. January 2004

Thomas E. Mikunda

W9943 Kernan Rd., Exeland, WI 54835

Paid a forfeiture of \$18,000.00 and has had his insurance license revoked. This action was based on allegations of repeated violations of s. 628.34 (1), Wis. Stat., and s. 628.10 (2) (b), Wis. Stat., falsifying applications for life and Medicare supplement policies, diverting and keeping consumers' premium payments and making unsuitable sales of insurance. September 2003

Jeffrey L. Montgomery

4922 N 108th St., Milwaukee, WI 53225

Paid a forfeiture of \$8,000.00 and was ordered to make restitution of \$12,365.00 to Metropolitan Life Insurance Company and has had his insurance license revoked. This action was based on allegations of converting for his own use insurance premium funds from customers from 1997 to 2000 totaling \$12,365. Montgomery did not appear at the hearing or prehearing. September 2003

Joseph Lynn Moore

2878 Ridgewood Rd., Atlanta, GA 30327

Agreed to pay a forfeiture of \$250.00 and agreed to respond promptly in writing to all inquiries from OCI. This action was based on allegations of failing to disclose administrative action taken by the state of Georgia on an insurance license application and not responding to an OCI request for information. October 2003

David J. Muhammad

431 W Gorham St. Apt. 704, Madison, WI 53703

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal arrest or convictions. November 2003

Warren R. Mutsch

1879 Horseshoe Ln., De Pere, WI 54115

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. October 2003

Richard E. Neely

3398 Wiggins Way, Green Bay, WI 54311

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Kris A. Nelsen

1520G Big Bend Rd., Waukesha, WI 53189

Was ordered to cease and desist from binding Wisconsin Insurance Plan (WIP) policies in violation of s. Ins 4.10 (19), Wis. Adm. Code. This action was based on allegations of misrepresenting that a WIP policy was bound when she did not have authority to bind the policy. December 2003

Mark G. Nelson

405 W Wilshire Dr., Palatine, IL 60067
Paid a forfeiture of \$250.00. This action was based on allegations of failing to report an administrative action taken by the state of Illinois. October 2003

Michael L. Niemczyk

2841 Falling Waters Dr., Linnenhurst, IL 60046

Paid a forfeiture of \$250.00 and was ordered to cease and desist from violating s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by another state agency. November 2003

Richard D. Oleck

7626 La Corniche Cir., Boca Raton,

FL 33433

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding Florida administrative action. September 2003

Daniel V. Otto

2515 Elmwood Blvd., Wausau, WI 54403

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding providing a Wisconsin original signed passing score report. December 2003

Christopher F. Peck

3519 N Murray Ave., Shorewood, WI 53211

Paid a forfeiture of \$250.00 and was ordered to cease and desist from the use of advertisements not in compliance with s. Ins 3.27, Wis. Adm. Code, and s. Ins 3.39, Wis. Adm. Code. This action was based on allegations of using Medicare supplement insurance advertising not in compliance with the law. October 2003

Alan R. Peters

42521 Forest Ln., Antioch, IL 60002

Has had his application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Illinois on an insurance license application. November 2003

Paul J. Polaski

19100 Blue Ridge Ct., Brookfield, WI 53045

Was ordered to cease and desist from violating s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by the Wisconsin Department of

Financial Institutions. December 2003

Mark Montgomery Pollard

4001 Cramer Rd., Spencer, OK 73084

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearages. November 2003

Volney A. Powlis

1705 Orchard Way, Chesapeake, VA 23320

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding judgment or bankruptcy. December 2003

Ronald E. Reynolds

800 S Imperial Dr., Hartland, WI 53029

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI relating to delinquent taxes and to child support arrearages. October 2003

Frances R. Regis

314 N 115th St., Wauwatosa, WI 53226

Paid a forfeiture of \$500.00 and was ordered to pay return of premium in amount of \$530.18 to a policyholder and has had her insurance license revoked. This action was based on allegations of failure to forward return of premium to a policyholder and failure to respond to an inquiry from OCI. December 2003

Darryl D. Riter

24-1/2 Cottage Ave., Fond du Lac, WI 54935

Has had his application for an insurance license denied. This action was based

on allegations of failing to respond promptly to inquiries from OCI regarding indebtedness or bankruptcy. November 2003

Thomas Martin Roufus

1330 Villa Ter., Brookfield, WI 53186

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct. January 2004

George A. Sawchuk

461B Park Hill Dr., Pewaukee, WI 53072

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Scott F. Schuparra

11526 W Wisconsin Ave., Wauwatosa, WI 53226

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. November 2003

Michael Segal

1040 N Lake Shore Dr. Apt. 32A, Chicago, IL 60611

Agreed to surrender his insurance agent's license. This action was based on allegations of failure to report a criminal indictment and regulatory enforcement actions. January 2004

Michael Segal

1040 N Lake Shore Dr. Apt. 32A, Chicago, IL 60611

Has had his license summarily suspended. This action was based on allegations of failing to report an administrative action taken by another state and a federal criminal indictment. November 2003

Alfred I. Shuaibe

10017 N Crown King Rd., Phoenix, AZ 85353

Has had his application for an insurance license denied. This action was based on allegations of failing to disclose previous administrative action on an insurance license application and nonresponse to OCI's request for information relating to child support arrearages. November 2003

Thomas H. Sirianni

2607 Rib Mountain Way, Wausau, WI 54401

Paid a forfeiture of \$250.00 and was ordered to provide OCI a complete response to information requests within 30 days and to respond promptly to OCI requests for information. This action was based on allegations of failing to respond promptly to inquiries from OCI. November 2003

Thomas Vernon Smith

3070 Hunters Tr., Mt. Pleasant, MI 48858

Has had his application for an insurance license denied. This action was based on allegations of failing to disclose administrative action taken by the state of Michigan on an insurance license application and nonresponse to OCI's request for information. December 2003

John W. Snyder

5375 Mariner Cove Dr. #105, Madison, WI 53704

Was ordered to cease and desist from all agent activities and has had his license summarily suspended. This action was based on allegations of utilizing premiums for own use and not submitting applications to the insurer. November 2003

Chad N Solsvig

1007 7th St., Hudson, WI 54016

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct and no response to OCI's request for information. December 2003

Michael Joel Spillert

29 Nantes Rd., Parsippany, NJ 07054

Has had his application for an insurance license denied. This action was based on allegations of administrative action taken by the National Association of Security Dealers. November 2003

Robert F. Spoerl

1140 Fond du Lac Ave, Kewaskum, WI 53040

Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Monica E. Staples

4705 W Burleigh Apt. 7, Milwaukee, WI 53210

Has had her application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal convictions. Staples did not appear at the hearing or prehearing. August 2003

Byron Lee Swindell

5436 Davis Way, Virginia Beach, VA 23462

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding child support arrearage. October 2003

Kathleen R. Szalajka

415 Seventh Ave., Bloomer, WI 54724

Agreed to pay a forfeiture of \$500.00 and agreed to a suspension of her license

for 30 days. This action was based on allegations of making false and misleading statements to OCI and failing to timely remit a premium to an insurer and having a cashier check backdated to conceal the problem. October 2003

Dean James Thur

4325 Kennedy Dr., Racine, WI 53404

Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal arrests or convictions. November 2003

Daryl Creigh Trawick

2370G Hillcrest Rd. #237, Mobile, AL 36695

Paid a forfeiture of \$250.00 and was ordered to cease and desist from violating s. Ins 6.61 (16), Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by another state. January 2004

Eric S. Treend

27 Owen Brown St., Hudson, OH 44236

Paid a forfeiture of \$1,000.00 and was ordered to report and pay the commissioner the proper premium tax of 5% and cease and desist from transacting a surplus lines insurance business in Wisconsin until properly licensed as a surplus lines agent. This action was based on allegations of violating surplus lines laws. August 2003

Dwayne A. Walter

3302 N 49th St., Milwaukee, WI 53216

Has had his application for an insurance license denied. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct and nonresponse to OCI's request for

information. October 2003

Randal G. Wedig

6604 Pine Ln., Platteville, WI 53818
Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI relating to a criminal conviction and to a lawsuit. October 2003

Hans S. Wegesser

W169 N8684 Sheridan Dr., Menomonee Falls, WI 53051
Paid a forfeiture of \$250.00 and was ordered to cease and desist from violating s. Ins 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by the Wisconsin Department of Financial Institutions. December 2003

Kobie T. West

127 Aerial Rd., Deptford, NJ 08096
Has had his application for an insurance license denied. This action was based on allegations of failing to disclose an administrative action taken by the state of New Jersey on an insurance license application and nonresponse to OCI request for information. October 2003

Randy G. Westover

1517 Turnberry Cir., Oconomowoc, WI 53066
Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding criminal misdemeanor or felony convictions. November 2003

Bruce Allan Wharton

6115 Laurel Oak Dr., Suwanee, GA 30024
Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI

regarding nondisclosure of administrative action taken by the state of Maine. November 2003

Companies

A I S Insurance Agency, Inc.

2600 116th Ave. NE #200, Bellevue, WA 98004

Has had its application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative actions taken against Kurt Meister on an insurance license application. October 2003

Allied North American Insurance Brokerage of IL, LLC

3927 N Ravenswood Ave., Chicago, IL 60613

Has had its application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken against Steven Cade on a Business Entity insurance license application. October 2003

AmComp Assurance Corporation

701 US Hwy. 1 Ste. 200, North Palm Beach, FL 33408

Paid a forfeiture of \$500.00 and was ordered to cease and desist from violating s. Ins 21.01 (6), Wis. Adm. Code, by failing to provide 60 days notice of nonrenewal of a worker's compensation policy. This action was based on allegations of issuing an improper nonrenewal of a worker's compensation insurance policy. October 2003

American Family Mutual Insurance Company

6000 American Pky., Madison, WI 53783

Paid a forfeiture of \$500.00 and was ordered to cease and desist from

improperly canceling policies mid-term for underwriting reasons it knew or should have known at the time of issuing the policy. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy. January 2004

American Family Mutual Insurance Company

6000 American Pky., Madison, WI 53783

Paid a forfeiture of \$500.00 and was ordered to amend its procedure of accepting unsigned applications from agents and to cease and desist from accepting business from unlicensed and unlisted insurance intermediaries. This action was based on allegations of utilizing the services of an unlicensed agent. December 2003

American Fire and Casualty Company

9450 Seward Rd., Fairfield, OH 45014

Paid a forfeiture of \$1,500.00 and was ordered to cease and desist violating s. 626.25, Wis. Stat., by failing to use the approved rating plan for worker's compensation insurance, cease and desist from violating s. 631.51, Wis. Stat., by making dividends contingent on payment of premiums, and cease and desist from violating s. 628.34, Wis. Stat., by permitting the application of refunds on one policy to be applied to premiums on another policy without the prior written approval of insured. This action was based on allegations of violation of s. 628.34 (1), Wis. Stat., regarding making dividends contingent on payment of premiums, and s. 626.25, Wis. Stat., regarding failing to use an approved rating plan for worker's compensation insurance. November 2003

American General Assurance Company

3600 Route 66, Neptune, NJ 60173

Paid a forfeiture of \$500.00 and was ordered to provide the information requested and promptly reply in writing to all future requests. This action was based on allegations of failing to respond to OCI. August 2003

American Guarantee & Liability Insurance Company

One Liberty Plaza, 165 Broadway 28th Fl., New York, NY 10006

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from nonrenewing policies unless the nonrenewal notice is sent at least 60 days prior to the expiration date of the policy. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. October 2003

Atlantic Mutual Insurance Company

140 Broadway 34th Fl., New York, NY 10005

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from changing the terms of a policy mid-term for underwriting reasons it should have known within the first 60 days of the new policy. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. October 2003

Auto Club Insurance Association

One Auto Club Dr., Dearborn, MI 48126

Paid a forfeiture of \$500.00 and was ordered to cease and desist from using improper renewal notices. This action was based on allegations of issuing an improper notice of premium increase of an insurance policy. October 2003

Auto Services Company, Inc.

801 S College St., Mountain Home, AR 72653

Paid a forfeiture of \$60,000.00 and was ordered to cease and desist from issuing service contracts to Wisconsin residents unless it obtains a limited certificate of authority. This action was based on allegations of doing a warranty plan business without being properly licensed. December 2003

Automobile Protection Corp-APCO

6010 Atlantic Blvd., Norcross, GA 30071

Paid a forfeiture of \$750.00 and was ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date. October 2003

Badger Mutual Insurance Company

1635 W National Ave., Milwaukee, WI 53204

Was ordered to cease and desist from violating s. Ins 21.01 (6)(a), Wis. Adm. Code, by failing to provide written notice of cancellation to worker's compensation policyholders. This action was based on allegations of improper cancellation of a worker's compensation policy. December 2003

Benefit Associates, Inc.

250 S Executive Dr. Ste. 202, P.O. Box 470, Brookfield, WI 53005

Has had its application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding performance bond. October 2003

BCS Insurance Company

676 N Saint Clair St., Chicago, IL 60611

Paid a forfeiture of \$500.00 and was ordered to cease and desist from accepting business from intermediaries not licensed in Wisconsin. This action was based on allegations of utilizing the services of an unlicensed agent. November 2003

Benefit Group, Inc.

10675 Bedford Ave., Omaha, NE 68134

Has had its application for an insurance license denied. This action was based on allegations of an employee benefit plan ordered to cease doing business for failure to provide a required performance bond. September 2003

Catholic Family Life Insurance

1572 E Capitol Dr., Shorewood, WI 53211

Paid a forfeiture of \$500.00 and was ordered to comply with Wisconsin insurance law s. Ins 6.57 (2), Wis. Adm. Code. This action was based on allegations of failure to notify terminated agents in writing to return all indicia to the agency as required by law. January 2004

Catholic Workman

1201 First St. NE, P.O. Box 47, New Prague, MN 56071

Paid a forfeiture of \$500.00 and was ordered to cease and desist from accepting business from an insurance intermediary unless that intermediary is properly listed with the respondent. This action was based on allegations of allowing an agent to submit applications prior to appointing the agent. November 2003

Clarendon National Insurance Company

224 W State St., Trenton, NJ 08608

Paid a forfeiture of \$1,500.00 and was ordered to cease and desist from altering the terms of policies unless

proper notice has been given and the effective date of the altered terms is 60 days from the date the notice is mailed or delivered. This action was based on allegations of altering the terms of the policy and giving less than 60 days notice of the change in terms and failing to give notice of the policyholder's right to cancel. November 2003

Connecticut Indemnity Company, The

P.O. Box 1000, Charlotte, NC 28201
Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from using a rate, rating plan, classification, or expense loading for worker's compensation insurance that has not been approved by the commissioner. This action was based on allegations of worker's compensation insurance rating violations. November 2003

Continental Insurance Company
CNA Plaza, Chicago, IL 60685

Paid a forfeiture of \$1,200.00 and was ordered to cease and desist from failing to provide the required offer to continue or renew an insurance policy upon cancellation or nonrenewal due to termination of an intermediary contract. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy. December 2003

Continental Western Insurance Company

11201 Douglas Ave., Urbandale, IA 50322
Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from issuing motor vehicle insurance policies to Wisconsin policyholders that include liability coverage unless the policies also include uninsured motorist coverage. This action was based on allegations of violating s. 632.32 (4), Wis. Stat. December 2003

Continental Western Insurance Company

11201 Douglas Ave., Urbandale, IA 50322
Paid a forfeiture of \$2,000.00 and was ordered to cease and desist from altering policy terms and/or increasing premiums 25% or more without providing proper notice, from nonrenewing policies without providing the policyholder the required notice, and from nonrenewing policies without stating with reasonable precision the facts on which the insurer's decision is based. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy and increasing the premium more than 25% without providing the policyholder the required notice. December 2003

Fairmont Insurance Company

777 Arnold Dr. Ste. 200, Martinez, CA 94553
Paid a forfeiture of \$3,000.00 and was ordered to cease and desist from sending improper notices of altered policy term or premiums in violation of s. 631.36 (5), Wis. Stat. This action was based on allegations of improper notice of altered terms in violation of s. 631.36 (5), Wis. Stat. November 2003

Farmers Town Mutual Insurance Company

24884 County Hwy. A, Tomah, WI 54660
Paid a forfeiture of \$500.00 and was ordered to cease and desist from violating s. 631.36 (5), Wis. Stat., by altering the terms of insurance policies mid-term. This action was based on allegations of an improper mid-term alteration of an insurance policy. November 2003

Federal Insurance Company

Capital Ctr. 251 N Illinois Ste. 1100, Indianapolis, IN 46204
Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from violating s. 631.36 (2), Wis. Stat., by canceling insurance policies mid-term for underwriting reasons. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. November 2003

Fire Insurance Exchange

4680 Wilshire Blvd., Los Angeles, CA 90010
Paid a forfeiture of \$500.00 and was ordered to cease and desist from nonrenewing policies without mailing or delivering a proper nonrenewal notice at least 60 days prior to the nonrenewal date. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. August 2003

Foremost Insurance Company

5600 Beach Tree Ln., Caledonia, MI 49316
Paid a forfeiture of \$8,500.00 and was ordered to cease and desist from returning premium that is less than the pro rata unearned premium unless proper notice is given and to recalculate the refund premium on a pro rata basis. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy. December 2003

GE Warranty Management, Inc.

Appliance Park AP6-218, Louisville, KY 40225
Paid a forfeiture of \$750.00 and was ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date.

November 2003

General Casualty Company of Wisconsin

One General Dr., Sun Prairie, WI 53596

Paid a forfeiture of \$500.00 and was ordered to cease and desist from changing the terms of a policy mid-term. This action was based on allegations of changing the terms of a policy mid-term. August 2003

General Casualty Company of Wisconsin

One General Dr., Sun Prairie, WI 53596

Paid a forfeiture of \$500.00 and was ordered to reply promptly in writing and provide all requested information requested in response to all inquiries from the commissioner. This action was based on allegations of failing to respond promptly to inquiries from OCI. October 2003

General Electric Company

Appliance Park AP6-218, Louisville, KY 40225

Paid a forfeiture of \$2,200.00 and was ordered to cease and desist from using forms unless and until they have been filed with and approved by the commissioner. This action was based on allegations of using unapproved policy forms. October 2003

General Insurance Company of America

Safeco Plaza, Seattle, WA 98185

Paid a forfeiture of \$500.00 and was ordered to provide the information requested and to reply promptly in writing and provide all information requested in response to all inquiries from the commissioner. This action was based on allegations of failing to respond promptly to inquiries from OCI. December 2003

General Security Property and Casualty Company

5784 Widewaters Pky., DeWitt, NY 13214

Paid a forfeiture of \$500.00 and was ordered to cease and desist from violating s. Ins 6.10 (4), Wis. Adm. Code, by returning premium that is less than the pro rata unearned premium unless proper notice is given. This action was based on allegations of issuing an improper return premium of an insurance policy. October 2003

Glens Falls Insurance Company, The

CNA Plaza, Chicago, IL 60685

Paid a forfeiture of \$750.00 and was ordered to cease and desist from failing to provide the required offer to continue or renew an insurance policy upon cancellation or nonrenewal due to termination of an intermediary contract. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy. December 2003

Great American Assurance Company

580 Walnut St., Cincinnati, OH 45202

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from failing to provide Wisconsin policyholders with a prior separate written notice in cases where insurer may return a premium of less than pro rata unearned premium. This action was based on allegations of issuing a return of premium upon cancellation less than the pro rata unearned premium without providing required notice to policyholder. October 2003

Harleysville Lake States Insurance Company

12935 SW Bay Shore Dr., Traverse City, MI 49684

Paid a forfeiture of \$1,272.00 and was

ordered to cease and desist from assessing unapproved rates in worker's compensation business in the state of Wisconsin. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy. November 2003

Hartford Insurance Company of the Midwest

4040 Vincennes Cir. Ste. 100, Indianapolis, IN 46268

Paid a forfeiture of \$6,500.00 and was ordered to cease and desist from failing to mail proper notice to policyholders at least 60 days prior to the policy renewal date when increasing the premium 25% or more over the prior year policy. This action was based on allegations of issuing an improper renewal with altered terms of an insurance policy. November 2003

Hartford Underwriters Insurance Company

Hartford Plaza, Hartford, CT 06115

Paid a forfeiture of \$500.00 and was ordered to reply promptly in writing and provide all requested information. This action was based on allegations of failing to respond promptly to inquiries from OCI. September 2003

Hastings Mutual Insurance Company

404 E Woodlawn Ave., Hastings, MI 49058

Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing nonrenewal notices which do not state with reasonable precision the facts on which the decision to nonrenew was based. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. September 2003

Indiana Lumbermens Mutual Insurance Company

3600 Woodview Trace, Indianapolis, IN 46268

Paid a forfeiture of \$500.00 and was ordered to cease and desist from nonrenewing insurance policies with less than 60 days notice and violating s. Ins 21.01 (6), Wis. Adm. Code. This action was based on allegations of issuing an improper nonrenewal of a worker's compensation insurance policy. November 2003

Integrity Mutual Insurance Company

2121 E Capitol Dr., Appleton, WI 54915

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from knowingly misrepresenting to policyholders pertinent facts or policy provisions relating to coverage under the policy. This action was based on allegations of misrepresenting facts to policyholders regarding coverage on policies. October 2003

Liberty Mutual Fire Insurance Company

175 Berkeley St., Boston, MA 02117

Paid a forfeiture of \$2,000.00 and was ordered to cease and desist from mailing renewal notices to policyholders less than 60 days prior to the policy renewal date when increasing the renewal premium 25% or more and without a notice to the policyholder of the right to cancel the policy. This action was based on allegations of issuing an improper renewal of an insurance policy. December 2003

Managed Health Services Insurance Corp.

1205 S 70th St. Ste. 500, West Allis, WI 53214

Paid a forfeiture of \$1,000.00. This action was based on allegations of failing

to comply with a previous examination order. December 2003

Mechanical Breakdown Administrators, Inc.

9419 E San Salvador Ste. 105, Scottsdale, AZ 85258

Paid a forfeiture of \$750.00 and was ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date. November 2003

Middleton Insurance Company

6924 University Ave., Middleton, WI 53562

Paid a forfeiture of \$500.00. This action was based on allegations of failing to comply with a previous examination order. August 2003

Midwest Family Mutual Insurance Company

10601 Wayzata Blvd., Minnetonka, MN 55305

Paid a forfeiture of \$500.00 and was ordered to cease and desist from misrepresenting an offer of renewal by soliciting underwriting information from policyholders after the offer and to cease and desist from altering the terms of a policy after the renewal term has commenced. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. November 2003

Midwest Security Life Insurance Company

2700 Midwest Dr., Onalaska, WI 54650

Agreed to pay a forfeiture of \$1,750.00 and agreed to promptly respond in writing to requests for information and provide the information requested. This action was based on allegations of failing

to respond promptly to inquiries from OCI. November 2003

Milwaukee Insurance Company

400 S Executive Dr. Ste. 200, Brookfield, WI 53005

Paid a forfeiture of \$4,500.00 and was ordered to cease and desist from violating s. 631.51, Wis. Stat., by failing to file dividend plans and declarations with the commissioner. This action was based on allegations of failure to file schedule of dividend distributions and failing to file worker's compensation dividend plans and declarations with the commissioner. November 2003

Milwaukee Service Contract Corp.

6001 W Capital Dr., Milwaukee, WI 53216

Paid a forfeiture of \$2,000.00 and was ordered to provide the requested information and promptly reply to all future requests. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to promptly comply with an order issued. December 2003

Milwaukee Service Contract Corp.

6001 W Capital Dr., Milwaukee, WI 53216

Paid a forfeiture of \$2,000.00 and was ordered to provide the information requested and reply promptly in writing to all future inquiries. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to promptly comply with an order issued. December 2003

Milwaukee Service Contract Corp.

6001 W Capital Dr., Milwaukee, WI 53216

Was ordered to file financial statements in conformity with generally accepted accounting principles and provide an additional letter of credit. This action was based on allegations of failing to

file a required GAAP financial statement by the due date. December 2003

Mt. Morris Mutual Insurance Company

N1211 County Rd. B, Coloma, WI 54930

Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing improper mid-term cancellation notices. This action was based on allegations of issuing an improper mid-term nonrenewal of an insurance policy which did not state with reasonable precision the facts on which it was based. October 2003

Mt. Morris Mutual Insurance Company

N1211 County Rd. B, Coloma, WI 54930

Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing improper mid-term cancellation notices. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. November 2003

National Auto Care Corp.

101 Green Meadows Dr. S, Lewis Center, OH 43035

Paid a forfeiture of \$750.00 and was ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date. October 2003

Near North Insurance Brokerage, Inc.

875 N Michigan Ave. 19th Fl., Chicago, IL 60611

Has had its application for an insurance license denied. This action was based on allegations of pending criminal charges against Michael Segal, owner,

and administrative actions in the states of Iowa, Pennsylvania, California, and Kentucky against Michael Segal. September 2003

Northwestern Mutual Life Insurance Company

720 E Wisconsin Ave., Milwaukee, WI 53202

Paid a forfeiture of \$3,000.00. This action was based on allegations of failing to comply with a previous examination order. January 2004

OneBeacon Midwest Insurance Company

One Beacon St., Boston, MA 02108

Paid a forfeiture of \$500.00 and was ordered to cease and desist from improper mid-term cancellation of insurance policies. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy for underwriting reasons. September 2003

One Vision Financial, Inc

2850 Midwest Dr. #103, Onalaska, WI 54650

Has had its insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Pekin Insurance Company

2505 Court St., Pekin, IL 61558

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from improperly canceling policies mid-term for underwriting reasons. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. November 2003

PHP Insurance Plan, Inc.

301 N Broadway Ste. 110, De Pere, WI 54115

Paid a forfeiture of \$2,000.00. This action was based on allegations of failing

to comply with a previous examination order. August 2003

Physicians Plus Insurance Corporation

22 E Mifflin St. Ste. 200, Madison, WI 53703

Paid a forfeiture of \$4,000.00. This action was based on allegations of failing to comply with a previous examination order. August 2003

Platinum Warranty Corp.

12600 Rockside Rd., PMB230, Cleveland, OH 44125

Paid a forfeiture of \$4,500.00 and was ordered to cease and desist from issuing vehicle service contracts in Wisconsin unless and until it has obtained a limited certificate of authority to solicit a warranty business from the commissioner and provide proof of financial security for the in-force contracts within 10 days of receipt of this order. This action was based on allegations of doing an insurance business without proper authority. October 2003

Pre-Paid Legal Casualty, Inc.

P.O. Box 145, Ada, OK 74820

Paid a forfeiture of \$500.00 and was ordered to provide the information requested and promptly reply in writing to all and any future requests for information. This action was based on allegations of failing to respond promptly to inquiries from OCI. October 2003

Premier Dealer Services

9449 Balboa Ave. Ste. 300, San Diego, CA 92123

Paid a forfeiture of \$700.00 and was ordered to cease and desist from soliciting unless and until it has obtained a limited certificate of authority to solicit a warranty plan in Wisconsin. This action was based on allegations of doing

an insurance warranty plan business without proper authority. November 2003

Professional Benefit Consultants, Inc.

141 Ganttown Rd. Ste. 3, Turnersville, NJ 08012

Has had its application for an insurance license denied. This action was based on allegations of an employee benefit plan ordered to cease doing business for failure to provide a performance bond and financial statement. September 2003

Prudential Property and Casualty Insurance Company

36 S Pennsylvania St. Ste. 700, Indianapolis, IN 46204

Paid a forfeiture of \$2,000.00 and was ordered to cease and desist from improperly canceling new business which has been in force for more than 60 days. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. October 2003

Prudential Property and Casualty Insurance Company

23 Main St., Holmdel, NJ 07733

Paid a forfeiture of \$5,000.00 and was ordered to cease and desist from the improper termination of insurance contracts in violation of s. 631.36, Wis. Stat. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. November 2003

Prudential Property and Casualty Insurance Company

23 Main St., Holmdel, NJ 07733

Paid a forfeiture of \$500.00 and was ordered to cease and desist from increasing premiums 25% or more without providing proper notice. This action was based on allegations of

increasing a policy premium upon renewal in excess of 25% without providing proper notice of policyholder rights in violation of s. 631.36 (5), Wis. Stat. December 2003

Racine County Mutual Insurance Company

10502 Northwestern Ave., Franksville, WI 53126

Paid a forfeiture of \$500.00 and was ordered to cease and desist from nonrenewing insurance policies without the required statutory notice. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. October 2003

Royal Administration Services, Inc.

51 Mill St. Bldg. F, Hanover, MA 02339

Paid a forfeiture of \$2,700.00 and was ordered to cease and desist from using forms unless and until they have been filed with and approved by the commissioner. This action was based on allegations of using unapproved policy forms. August 2003

Safeco Insurance Company of America

Safeco Plaza, Seattle, WA 98185

Paid a forfeiture of \$750.00 and was ordered to cease and desist from issuing cancellation and/or nonrenewal notices that fail to state with reasonable precision the facts on which the insurer's decision is based and to provide OCI an audit report of randomly selected canceled and nonrenewed personal lines policies to confirm compliance with s. 631.36 (6), Wis. Stat. This action was based on allegations of issuing an improper mid-term cancellation or nonrenewal of an insurance policy and failing to state with reasonable precision the facts on which the insurer's decision is based. December 2003

Service Net Solutions, LLC

325 W Main St., Louisville, KY 40202

Paid a forfeiture of \$750.00 and was ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date. September 2003

Standard Fire Insurance Company

One Tower Square, Hartford, CT 06183

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from improperly canceling policies mid-term. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. December 2003

State Auto Property and Casualty Insurance Company

112 S Main St., Greer, SC 29650

Paid a forfeiture of \$1,500.00 and was ordered to cease and desist from mid-term cancellation of worker's compensation policies for underwriting reasons except as otherwise not prohibited under applicable law. This action was based on allegations of issuing an improper mid-term cancellation of an insurance policy. December 2003

State Farm Fire and Casualty Company

One State Farm Plaza, Bloomington, IL 61701

Was ordered to cease and desist from failing to provide adequate instructions to worker's compensation policyholders applying to the Wisconsin Worker's Compensation Plan and to cease and desist from using unapproved policy forms in the state of Wisconsin. This action was based on allegations of using unapproved worker's

compensation policy forms in violation of s. 631.20 (1), Wis. Stat., and failing to provide adequate instruction to worker's compensation policyholders as required by s. 631.36 (7), Wis. Stat. December 2003

Telespectrum Worldwide, Inc.

1209 Orange St., Wilmington, DE 19801

Has had its insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. January 2004

Thrivent Financial for Lutherans

4321 N Ballard Rd., Appleton, WI 54919

Paid a forfeiture of \$500.00 and was ordered to comply with Wisconsin insurance law, s. Ins 6.57 (2), Wis. Adm. Code. This action was based on allegations of failing to comply with a previous examination order. September 2003

TIG Insurance Company

P.O. Box 152870, Irving, TX 75015

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from sending improper notices of altered policy term or premiums, in violation of s. 631.36 (5), Wis. Stat. This action was based on allegations of improper notice of altered terms in violation of s. 631.36 (5), Wis. Stat. November 2003

Touchpoint Health Plan, Inc.

P.O. Box 507, Appleton, WI 54912

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from releasing nonpublic financial information without proper authorization. This action was based on allegations of releasing nonpublic personal information without the individual's consent. December 2003

Transportation Insurance Company

CNA Plaza, Chicago, IL 60685

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from violating s. Ins 21.01 (8), Wis. Adm. Code, by failing to state with reasonable precision the facts on which the insurer bases its decision to nonrenew. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. November 2003

Tricast, Inc.

10200 W Innovation Dr., Milwaukee, WI 53226

Has had its application for an insurance license denied. This action was based on allegations of financial information submitted at renewal that does not show Tricast, Inc., is a financially viable organization. October 2003

United States Liability Insurance Company

190 S Warner Rd., Wayne, PA 19087

Paid a forfeiture of \$500.00 and was ordered to cease and desist from nonrenewing insurance policies without mailing a notice of nonrenewal to the policyholder at least 60 days prior to the policy expiration date. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. October 2003

USA Tax Advisors, Inc.

8127 SR 54, New Port Richey, FL 34655

Has had its application for an insurance license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Florida against Stephen R. Hand on an agency insurance license application. November 2003

VAC Service Corp.

99 Tower Dr., Middletown, NY 10940

Paid a forfeiture of \$750.00 and was

ordered to provide the requested information and promptly reply in writing to all requests for information from the commissioner. This action was based on allegations of failing to file a required financial statement by the due date. December 2003

West Bend Mutual Insurance Company

1900 S 18th Ave., West Bend, WI 53095

Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing nonrenewal notices that do not state with reasonable precision the facts on which the nonrenewal is based. This action was based on allegations of issuing an improper nonrenewal of an insurance policy. October 2003

Wisconsin Vision Service Plan, Inc.

3333 Quality Dr., Rancho Cordova, CA 95670

Paid a forfeiture of \$1,500.00. This action was based on allegations of failing to comply with a previous examination order. December 2003

Office of the Commissioner of Insurance

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